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January 3, 2001

Anthem 

Confidential

Mr. William L. Jews
President & Chief Executive Officer
CareFirst
10455 Mill Run Circle
Owings Mills, MD 21117-4208

Dear Bill:

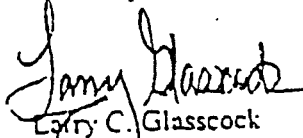
I appreciated our discussion just before the holidays. Anthem Blue Cross and Blue Shield is making considerable progress in meeting our strategic objectives. We recently celebrated crossing the seven million member mark; our service level scores are at all-time highs; three of our health plans were ranked in the top tier in the country by NCQA; we will report 2000 earnings in excess of \$200 million and our financial strength has never been stronger with surplus nearing \$2-billion.

Given the many accomplishments of the organization you have put together at CareFirst, Ben and I are very excited about what our two companies could accomplish together. At your convenience, I look forward to further discussing the issues you raised, including: the strategic fit between our organizations; how together we could fully utilize the excellent management team you have built, and finally how we could position the resulting organization to have the access to capital so we can continue our growth into the future.

Bill, as you know, the management teams and boards of directors of seven Blue Plans have selected Anthem as their affiliation partner. We believe we have structured transactions that meet the objectives of both parties and that secured promptly the approval of the various regulatory agencies, the attorneys general and the judiciary. We have successfully dealt with the charitable assets issues facing Blue Plans by working with interested parties to establish charitable foundations in the states to meet the health needs of their citizens. Finally, we believe we have a better record than any other Blue Plan in being able to get deals done.

I will call you shortly to set up a time to discuss these issues further.

Sincerely,


Larry C. Glasscock

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